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national relations. Equality of political capacity is on the other hand not essential. "Conceding that equality of capacity for rights is sound as a legal principle, its proper application is limited to rules of conduct and to the acquiring of rights and the assuming of obligations under those rules. It is inapplicable in its very nature to rules of organization. Insistence upon complete political equality in the constitution and functioning of an international union, tribunal or concert is simply another way of denying the possibility of effective international organization." (p. 336). The outstanding feature of the Peace of Paris in this respect "is its extensive disregard for the traditional conception of political equality" (p. 348). If the League of Nations makes good, "the traditional conception of political equality among states will become obsolete" (p. 365), but the biggest step in history will have been made towards true equality by the substitution of orderly process for self-help—in the language of Erasmus, "the irrational and doubtful decision of war." In the light of these conclusions it is interesting, but not altogether reassuring, to learn that M. Barbosa, the most vigorous exponent of unqualified political equality at the Second Hague Peace Conference, has just been elected at the top of the poll to a seat in the International Court of Justice.

Dr. Dickinson's book is in fine a weighty and readable contribution to the study of the whole law of international persons and status. And its utility is considerably increased by an exhaustive bibliography and a good index.

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TRUST ESTATES AS BUSINESS COMPANIES. By John H. Sears. Vernon Law Book Company, Kansas City, Missouri, 1921. Second Edition, pp. xx, 782.

In a partnership the partners control and manage the business of the firm and are personally liable for the firm debts. In a corporation the stockholders, through directors chosen by them, manage the business of the corporation without liability for the corporate debts. In a "business trust" the trustees manage the business of the trust for the benefit of cestuis who are not personally liable for the debts of the trust. The last mentioned form of organization has long been domiciled in Massachusetts, and has of late begun to spread throughout the country. Of course the idea is nothing new. For a long time certain unincorporated associations, not amounting to partnerships, have conducted their affairs through trustees vested with the legal title to the association property. Notable instances of such arrangements are the Inns of Court, the London Stock Exchange, Lloyd's Insurers and countless social clubs. Also sometimes the assets of an unsuccessful business have been transferred to trustees for the purpose of carrying on the business for the benefit of its creditors, as well as for the original owners of such business. So, too, occasionally a testator has provided in his will that his trustees to whom he has bequeathed the property employed in

his business, should carry on such business for a designated time after his death for the benefit of the widow and children or other legatees of the testator. Again, at one time in our national history, a familiar method of combining large enterprises under one control, usually for a monopolistic purpose, was by means of the trust, and it is this practice which has given to the word "trust" a certain unsavory connotation in the mind of the layman.

It was in Massachusetts, however, chiefly because of certain limitations in that state's corporation laws, that it became a common practice to create trusts with the interests of the several cestuis evidenced by transferable shares for the express purpose of buying, developing and selling real estate, which device was soon extended to cover many varieties of business enterprises. This practice, as suggested above, is now being adopted in other jurisdictions. Our author's citations show that in about half our states such business trusts have come before the highest courts, and in his introduction he gives a formidable list of business enterprises of various sorts and variously located, which are conducted in this manner.

It is still true, however, that in Massachusetts the business trust finds its chief home, as is witnessed by the fact that out of the sixty odd cases on such trusts cited in the present edition of this work as having been decided in the past decade, that is since the appearance of the first edition, over one-third are decisions of the Massachusetts Supreme Court or of the Federal Courts upon associations doing business in Massachusetts. The other late decisions cited include a considerable number of New York cases and one or two decisions each from a dozen other states.

The first edition of this book which appeared in 1912 was a pioneer in the field. Since that time have appeared Wrightington's "Unincorporated Associations," which is devoted in large part to business trusts, as well as several smaller books and a considerable amount of material in the legal periodicals. The present edition of the book under review contains some twenty-five new sections out of a total of two hundred and four, and of the old ones about a dozen have been rewritten or considerably added to. One entire chapter of this second edition is new, that upon "Public Policy with Respect to Trust Estates Embarked in Trade."

The text discusses adequately those phases of the general law of trusts which are applicable to business trusts and considers with great detail the decisions on business trusts proper. While the method employed by the author of quoting at length the language of the courts leads to a considerable amount of repetition, nevertheless it makes possible a fully rounded discussion of each one of the matters successively taken up, so that the reader in search of the law upon one point is not forced to follow out a chain of cross references. It is to be regretted that in many instances the author, whose experience makes him well-qualified to express an expert opinion on the matter, refrains from expressing his own view as to what the law is or should be, but contents himself with a statement of the rules as expounded in decisions of the courts. Mr. Sears appears to consider a business trust as being simply one phase of development of our ordinary trust, and nowhere does he discuss the interesting suggestion made by Wrighting-

ton (*op. cit.*, p. 59) to the effect that perhaps the business trust, while neither partnership nor corporation, is nevertheless not a true trust but should rather be considered as *sui generis*. Only a very few of the late articles and editorial notes upon business trusts, which are found in the various legal periodicals, are anywhere referred to by the author, although they might well prove highly interesting and useful to the persons who consult his text.

Some three hundred pages of the book are devoted to an appendix which includes the Massachusetts and Oklahoma statutes governing business trusts, and a very extensive collection of forms of trust agreements, including many which are not found in the first edition. Whenever a particular trust agreement has withstood attack in the courts, that point is carefully noted and the decision cited. The author wisely prefaces this excellent collection of exhibits by calling attention to the fact that they are useful primarily by way of suggestion and must not be slavishly copied. He also points out at another place that counsel should venture to advise clients upon matters involving business trusts only after a very careful study of the legal principles involved. This word of warning is justified, for Mr. Sears shows how very narrow is the path along which an organization must travel in order to retain its character as a business trust. If the least control, or even power of control over the management of the business of the association, or its termination, is left to the cestuis, the late cases hold that the association is in fact a partnership, and the several cestuis are liable as partners. *Frost v. Thompson* (1914), 219 Mass. 360; *Priestly v. Trasurer* (1918), 230 Mass. 452.

The book contains a very full index which has the novel and useful feature of showing just what points have been passed on in each of our different states where cases involving business trusts have come before the courts. The sections in the second edition have been renumbered. Those who are familiar with the first edition, or who have to check up references thereto, would doubtless have been glad of a table showing the relation of the old section numbers and the new ones.

The excellent press work of the publisher contributes to the production of a book which will certainly be of great value to the lawyer who may be professionally interested in the subject and which will doubtless serve to increase the popularity of trust estates as business companies.

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THE LAW IN BUSINESS PROBLEMS. By Lincoln Frederick Schaub and Nathan Isaacs. The Macmillan Company, New York, 1921, pp. xxxiv, 821.

This book presents a new method for the study of commercial law. It combines historical, case and analytical systems. Heretofore works on the subject of "business laws" have been confined to short treatises on topics selected from elementary law as a whole. Mr. Schaub is Professor of Com-